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SUBJECT: Amazon Dialogue: Negotiating Through Distrust

REF: LIMA 1389 AND PREVIOUS

CLASSIFIED BY: Jessica Huaracayo, Political Officer; REASON: 1.4(B), (D)

11. (C) Summary. Working groups formed to resolve issues arising out of the deadly June 5 Amazon clashes have shown uneven progress thus far. GOP contacts assure us that the dialogue process will lead to a new forestry law that brings Peru back into compliance with the PTPA by the August 2010 deadline. Indigenous actors and their NGO advisors report continued frustration with the working groups and other factors, such as the Ministry of Justice's effort to decertify the principal organization (AIDESEP) representing indigenous community interests in the dialogue. While the various actors participating in the process emphasize their interest in resolving both the immediate and longer term challenges, distrust remains pervasive among participants. Meanwhile, AIDESEP appears to be upping its demands, either to undermine the negotiations or to pressure the government on other fronts. End summary.

Summary of Working Groups' Progress

 $\P2$. (C) The four working groups ("mesas de dialogo") formed to address the issues underlying and arising out of the deadly June 5 Amazon clashes (reftel) continue into their fifth month, with uneven progress, some setbacks, and wrangling over interpretations. Mesa 1 appointed an investigative commission to research the causes of the June 5 violence; Mesa 2 was formed to generate successor laws to legislative decrees 1064 and 1090 (the forestry law), both of which were repealed after June 5, and to discuss seven other decrees of concern; Mesa 3 was established to create the domestic legal structure needed to implement ILO 169, and define what constitutes "prior consultation" with indigenous communities regarding issues that affect them; and Mesa 4 was set up to forge a development strategy for the Amazon region. The following is a summary of each mesa's progress, reflecting the views of a range of our GOP, NGO and indigenous community contacts who attend mesa meetings:

-- Mesa 1 concluded its work on September 2, when it formed an investigative commission to investigate the June 5 events. The commission, some of whose members were nominated by indigenous representatives and some by the GOP, is now scrambling to complete its mandate. The group's technical assistant (protect) told us that government support for the commission and the investigation

was "very weak": the GOP's lead representative rarely attends meetings, the budget is minimal, and the government has provided no place for the group to operate. As a result, the commission is working out of a small, ill-equipped office on loan from a religious organization, and has sought additional funding from the UNDP. The commission's findings, to be presented in December, will be non-binding, but may serve as evidence for court proceedings. (Separate criminal investigations of the June 5 events are ongoing, and Congress has its own investigative committee.)

- -- Mesa 2 is tasked, inter alia, with providing conceptual input for a new forestry law to replace the repealed legislative decree 1090, which had included elements required for Peru's compliance with the PTPA. The group met repeatedly throughout the month of October and has "advanced significantly," according to GOP and NGO contacts. Still, on October 20, dialogue almost broke down after the government issued a Bagua-related arrest warrant for the group's coordinator, Bladimiro Tapayuri. AIDESEP agreed to continue to participate in the working groups (church groups and other NGOs take the credit for keeping AIDESEP at the table), but in recent days demanded that the government "stop its persecution" (through arrest warrants) within 20 days. On October 29, just when the group had reached consensus on conceptual input for the new forestry law, AIDESEP presented a new list of demands, which included the revocation of the national water law and eight additional legislative decrees passed at the same time as 1090. Most of these decrees had been the object of protests leading up to the bloody June 5 clash; others (including the decree that created the Ministry of Environment) have only recently begun to be analyzed in this forum. Government representatives have agreed to respond to this document when the group reconvenes on November 9.
- -- Mesa 3, which will submit draft legislation that would create a mechanism to implement the "prior consultation" required by ILO Convention 169, Art. 6, is also said to have made great progress. But, like Mesa 2, there is no concrete outcome yet. Our contacts tell us that the two main indigenous groups at the table (AIDESEP and CONAP) have agreed on a draft, based on the Human Rights Ombudsman's law proposal but that the GOP has not yet joined the consensus. The group meets next on November 11.
- -- Mesa 4, looking at broad issues of development in the Amazon (bilingual education, infrastructure, etc.), reportedly meets almost daily. Government representatives say the group's work is "86% complete." Several working-level government officials told Embassy that dialogue consists mostly of indigenous participants airing concerns and presenting new "actas" (usually a list of protesters' demands). Some observers have told the Embassy that GOP representatives bring little input to the dialogue but readily sign the supposedly non-binding "actas," a practice which observers say could backfire in months to come if indigenous communities decide to cash in on the promises included therein. A government delegation, led by the Minister of Agriculture, traveled to Amazonas region at the end of October to meet with indigenous community representatives regarding their development needs.

Update on Forestry Law and PTPA Implementation

¶3. (C) Contacts within the GOP are generally optimistic, and assure us that a new forestry law that brings Peru back into compliance with the PTPA will be created and approved in Congress by June 2010. While the Ministry of Agriculture (MINAG) has not yet begun its draft of the law, contacts at the Ministry of Trade and Tourism (MINCETUR) tell us the drafting process will be relatively straightforward, and will use the repealed forestry law - legislative decree 1090 - as a model while also including conceptual input from Mesa 2. MINCETUR and MINAG jointly conducted two outreach meetings with civil society in early September to

discuss PTPA implementation (including issues of traceability and chain of custody) and have promised to schedule additional meetings soon. Both ministries have also arranged a series of regional workshops for the month of November for the same purpose.

Indigenous Concerns About Mixed Government Signals

14. (C) Indigenous representatives and their NGO advisors report continued frustration with the mesas and the relationship with the government writ large. Regional governments representatives, who were central actors in the dialogue at the outset of the mesas, have reportedly stopped attending meetings altogether. Relations with the central government remain strained, due mostly to events outside the mesas. Outstanding arrest warrants of indigenous leaders for inciting violence during the Bagua events, and a Ministry of Justice petition to dissolve the principal indigenous organization taking part in the dialogue (AIDESEP) are perceived by indigenous participants as evidence of the GOP's contradictory Government representatives have acknowledge a need to approach. intensify their outreach with indigenous communities and NGOs on issues relating to the mesas and also to better publicize government participation in the ongoing dialogue process, its good intentions and the desire for results that reflect the interests of all Peruvians. (Note: An observer from the Human Rights Ombudsman's office (protect) told us the main AIDESEP

representatives assigned to the mesas rarely attend, allegedly because they are overwhelmed with work at their organization's headquarters, but send lower-level colleagues instead.)

Comment: Hope for Progress Amid Pervasive Distrust

- 15. (C) The various actors participating in the process emphasize their interest in resolving both the immediate and longer term challenges. Government officials in all participating ministries and at all levels have told us their engagement in the process is energetic and their interest in resolving outstanding issues relating to the forestry law, prior consultation, and Amazon development is real. Indigenous community representatives and their NGO advisors echo this interest in resolving the issues underlying the conflict. Still, the distrust on both sides remains pervasive, with indigenous and NGO representatives claiming the government is indifferent to their interests and pursuing a contradictory path, negotiating while seeking to discredit their negotiation partners at the same time. Some NGO critics additionally claim individuals within the GOP are motivated by personal interests rather than the greater good.
- 16. (C) Meanwhile, government officials see indigenous community representatives continually changing and expanding the terms of negotiation as clear evidence of bad faith. These new and unrelated demands, including for the repeal of the water law, may be intended to complicate or even undermine the negotiations, just as consensus seems to be in reach. Or AIDESEP may be seeking to pressure the government to remove outstanding arrest warrants against indigenous community leaders and to desist in its effort to decertify the organization. Despite mutual distrust and frequently clashing views on how to approach development in the Amazon and Peru in general, however, moderate observers, including NGOs, see real progress. And perhaps most important of all, participants remain engaged at the negotiating table and committed to continuing the dialogue.

 MCKINLEY